



Attorney General

1275 WEST WASHINGTON

Phoenix, Arizona 85007

Robert R. Corbin

June 1, 1987

The Honorable Joe Albo Jr.  
Gila County Attorney  
1400 E. Ash Street  
Globe, Arizona 85501

Re: I87-076 (R87-071)

Dear Mr. Albo:

Pursuant to A.R.S. § 15-253(B) this office has reviewed the opinions expressed in your March 31, 1987 opinion to Dr. O.K. Nutting, Superintendent of the Globe School District, and concurs with your conclusion that pursuant to the Uniform System of Financial Records a district must establish the actual cost or fair market value of materials, equipment or land donated to the district before governing board acceptance of such a gift. U.S.F.R. III-G-3.

Sincerely,

A handwritten signature in cursive script, reading "Bob Corbin", is written over the typed name.

BOB CORBIN  
Attorney General

BC:TLM:pnw



Gila County Attorney

1400 E. ASH STREET

Globe, Arizona 85501

(602) 425-3231  
EXT. 298

For Alho Jr.

OPINION

TO: DR. C. K. NUTTING  
Superintendent  
Globe School District

FROM: CANDYCE B. PARDEE  
Deputy County Attorney

RE: Placement of Value on Items

DATE: March 31, 1987

887- 071

4/2/87

Martin

EDUCATION OPINION

ISSUE NO LATER THAN

6-1-87

On February 27, 1987, you requested an opinion as to whether materials, equipment or land donated to the School District needs to have a monetary value placed upon it before board acceptance. The Arizona School District's Administrator's Handbook and Uniform System of Financial Records Section III-G-2 provides that the governing board of a school district must establish procedures for incorporating a property control system into the district and then comply with the adopted requirements.

An individual, according to this policy, should be assigned at the district level to be directly responsible for administering the governing board policies and coordinating the accounting functions while principals and department heads within the district should be responsible for physical control of property within their charge. This physical control of property includes a detailed listing of general fixed assets having a unit cost of \$100.00 or more and a useful life which is equal to or greater than one year must be established.

In addition, the general fixed assets listing must be updated for acquisitions and disposals at least annually, and cost documentation must be maintained on file. Finally, a physical inventory of equipment must be taken at least every three years and reconciled to the general fixed assets listing.

III-G-3 goes on to state that a listing of general fixed assets including land and improvements, buildings and improvements, equipment and vehicles must be prepared and that the list must include, among other things, the method of acquisition, whether by purchase or donation, and the cost,

Dr. O. K. Nutting

Page 2

March 31, 1987

if any. If an actual cost cannot be determined, then the estimated fair market value at the date of the acquisition for the donated assets must be given.

To answer your question then, a value must be placed on the material, equipment or land which is donated to the School District so that it can meet the requirements of the uniform system of financial records.

A copy of this opinion is being sent to the Attorney General for his review pursuant to A.R.S. §15-253. If no action is taken by that office within 60 days, the opinion will be deemed confirmed.

*Lorayne B. Price*



..... Dedicated to Betterment

COPPER RIM ELEMENTARY	(K-4)
EAST GLOBE ELEMENTARY	(5-6)
GLOBE JUNIOR HIGH SCHOOL	(7-8)
GLOBE HIGH SCHOOL	(9-12)

501 ASH STREET / GLOBE, ARIZONA 85501  
(602) 425-3211

..... STUDENTS ARE THE MOST IMPORTANT PEOPLE IN OUR BUSINESS .....

February 27, 1987

Ms. Candyce Pardee, Attorney  
Gila County Attorney's Office  
1400 East Ash Street  
Globe, Arizona 85501

Dear Ms. Pardee:

At the February 17, 1987, Globe Unified School District Board of Education Meeting three issues were discussed that I would appreciate a legal opinion on:

- I. ARS 15-537, G.2. states "authorized district officers and employees for all personnel matters regarding employment and contract." Which employees are included? I believe that the following positions in Globe Unified School District are covered by ARS 15-537, G.2. They are: Superintendent, Assistant Superintendents, Principals, Secretaries to Administrators, Office Aides, Payroll Personnel, Supervisors of Classified Personnel and Board Members.

Is my interpretation accurate? If not, please state which employees meet ARS 15-537, G.2.

- II. During the personnel section of the agenda a Board Member stated that she was concerned about the resignation of a second grade teacher. The Board Member discussed one particular applicant and stated the following: "I know for some fact that applications have been made for the job and one of them by Mrs. Buss. I would like to say that I have seen Mrs. Buss doing her teaching in the classroom and I have observed her and I feel that right now and I know that she has substituted a long time for the district, at least three years, that I know and I think that she is a very qualified person to take the place, and I am only hoping that when we do take some action, I would like to see her up there. My main thought is not to disrupt the class anymore. If she could be placed up there, if there is a problem with her credentials or anything as I have talked with her, I have talked with her about it. I would like to see her placed up there, perhaps. I know


she has the proper certification for a substitute and then like I say, it would be a less dramatic type transition for the children to go through a substitute because I understand we had at least three substitutes up there since February 3."

I feel the district has a potential problem if Mrs. Buss does in fact turn out to be the person hired. If this does happen, will the other applicants have any recourse based on the above statement made by a Board Member?

- III. The district has a policy concerning the gifts of monies, materials, equipment or land. Prior to Board acceptance, I have always placed a monetary value to the materials, equipment and/or land donated. Is this procedure correct or should the Board just accept the gift/donation with no monetary amount stated?

As always, thank you for your time and consideration of these concerns.

Sincerely,

  
O.K. Nutting, Ed.D.  
Superintendent

OKN/eb

Section: III. ACCOUNTING

Subject: G. General Fixed Assets

Original ☒Revision ☐

Date Published: July 1980

POLICIES

The following policies must be incorporated into a property control system.

1. The Governing Board must establish procedures for the system and ensure that schools within the district comply with the adopted requirements.
2. An individual should be assigned at the district level to be directly responsible for administering Governing Board policies and coordinating accounting functions. Principals and department heads within the district should be responsible for the physical control of property in their charge.
3. A detailed listing of general fixed assets having a unit cost of \$100 or more and a useful life equal to or greater than one year must be established.
4. The general fixed assets listing must be updated for acquisitions and disposals at least annually. Cost documentation must be maintained on file.
5. A physical inventory of equipment must be taken at least every three years and reconciled to the general fixed assets listing.
6. Adequate insurance coverage must be maintained (ARS 15-442.A.10).

Section: III. ACCOUNTING

Subject: G. General Fixed Assets

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REQUIREMENTS

The following are specific requirements for the establishment and maintenance of a general fixed assets accounting control system.

1. A listing of general fixed assets, including land and improvements, buildings and improvements, equipment and vehicles, must be prepared (III-G-5). The listing must include the following information:
  - a. Location (school, building, room, etc.),
  - b. Identification number (tag number, serial number or other number which specifically identifies the item),
  - c. Description (model number, size, color, etc.),
  - d. Method of acquisition (purchase or donation),
  - e. Source of funding (the fund from which the item was purchased),
  - f. Acquisition date (month and year of acquisition),
  - g. Purchase document number (P.O. number, voucher number or other document number which can be used to trace to the source of information on the listing), and
  - h. Cost (actual cost for assets acquired after June 30, 1977; estimated historical cost for assets acquired before July 1, 1977, if actual cost cannot be determined; estimated fair value at date of acquisition for donated assets).
2. The costs of assets recorded on the listing must include all charges necessary to place the asset in its intended location and condition for use. These ancillary costs include:
  - a. Title search fee, recording fees and other closing costs,
  - b. Grading, filling, clearing of land,
  - c. Assumption of liens and delinquent taxes,
  - d. Attorneys' and architects' fees,
  - e. Building permit fees,
  - f. Freight charges,
  - g. Sales taxes, and
  - h. Installation, assembly and testing charges.
3. The general fixed assets listing must be updated for acquisitions and disposals at least annually. If preferred, a separate listing of acquisitions and disposals may be maintained during the year and incorporated into the general fixed assets listing at the end of the fiscal year.

Section: III. ACCOUNTING

Subject: G. General Fixed Assets

Original (X)

Revision ( )

Date Published: July 1980

4. An identification system must be developed and maintained to provide physical control over equipment.
  - a. Each equipment item must be tagged, marked with an identifying number or be specifically identified by some other means, such as by serial number.
  - b. If tags are used, the distribution of the tags should be controlled by the district office, with a record of tag assignments kept by school or department.
  - c. Small or valuable items, such as musical instruments, should not be tagged, if, in so doing, the value or usefulness of the item would be seriously impaired. The engraving of such equipment items is recommended to provide for their possible return if they are lost or stolen.
  - d. Equipment items with a unit cost less than \$100 should be identified as equipment of the district. These items need not be numerically tagged or included in the general fixed assets listing, but may be reported on a supplementary listing for control purposes.
5. A complete physical inventory of equipment (including vehicles) must be taken at least every three years. The inventory records must be reconciled to the general fixed assets listing.
6. Documentation must be maintained to support the information recorded on the general fixed assets listing.
  - a. Acquisitions - Purchase orders, vouchers, vendors' invoices, receiving reports, completed contracts, escrow settlement statements or deeds provide support for purchased acquisitions.
  - b. Disposals - A "Request for Authorization to Dispose of Equipment" form (III-G-6) or a similar form must be completed for all disposals to ensure that the disposal is properly authorized and to provide support for deleting the item from the general fixed assets listing.
7. At the end of the fiscal year, the total cost of that year's acquisitions included on the general fixed assets listing must be reconciled to the total capital expenditures for the year to help ensure that all items are included on the listing.
8. The General Fixed Assets Account Group should be adjusted in the general ledger at the end of each fiscal year for that year's acquisitions and disposals of property.